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1981

The Regional Municipality



of Hamilton-Wentworth

Financial Report

for the year ended December 31.

1981



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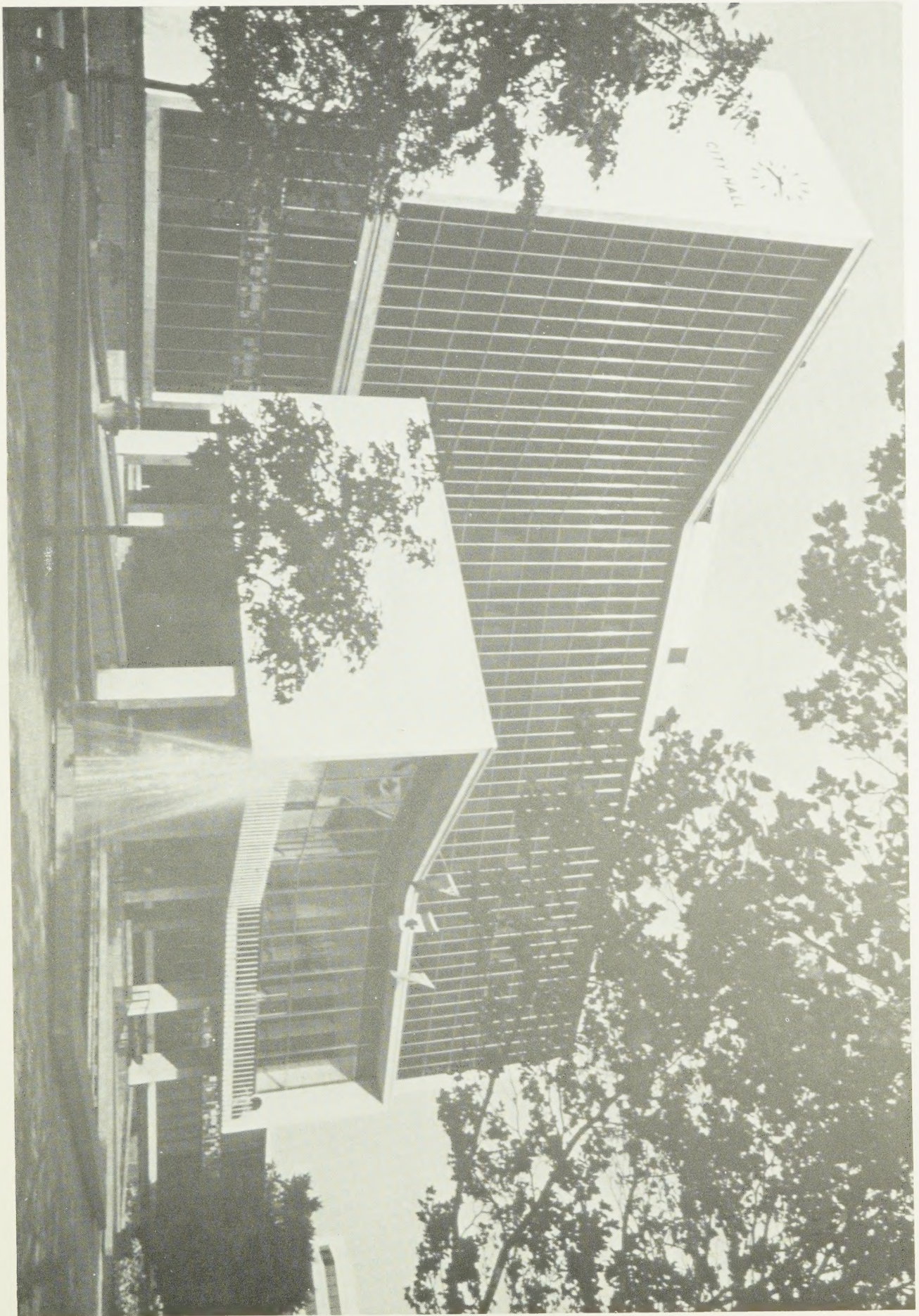
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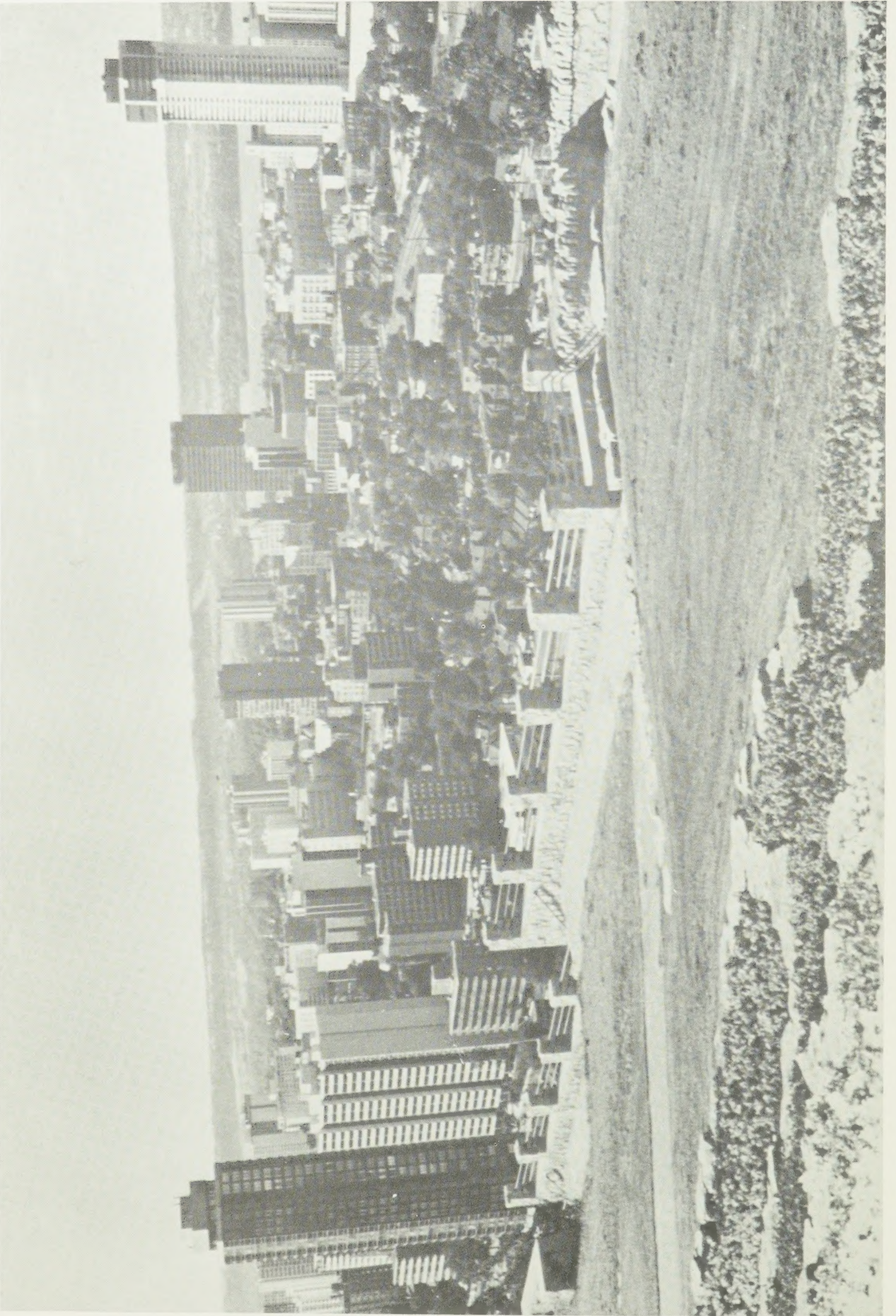
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REGIONAL COUNCIL

CHAIRMAN

MRS. ANNE H. JONES

TOWN OF ANCASTER

Mayor - Mrs. Ann Sloat
Councillor - Robert E. Wade

TOWN OF DUNDAS

Mayor - Joseph T. Bennett
Councillor - John A. Prentice

TOWNSHIP OF FLAMBOROUGH

Mayor - Mrs. Betty Ward
Councillor - Christopher Ward

TOWNSHIP OF GLANBROOK

Mayor - Donald Weylie
Councillor - Helen Bell

TOWN OF STONEY CREEK

Mayor - William Sears
Councillor - Ollie Thomson

CITY OF HAMILTON

Mayor - William Powell
Councillor - Peter Peterson
Councillor - Paul Drage
Councillor - Vince Agro
Councillor - William McCulloch
Councillor - Pat Valeriano
Councillor - Brian Hinkley
Councillor - Donald Gray
Councillor - David Lawrence

Councillor - Fred Lombardo
Councillor - Reg Wheeler
Councillor - Ian Stout
Councillor - Paul Cowell
Councillor - Henry Merling
Councillor - James Bethune
Councillor - Ken Edge
Councillor - James MacDonald



REPORT OF THE CHAIRMAN

The Regional Municipality of Hamilton-Wentworth has just concluded its eighth year of operation; and takes pride in the fact that it has been able to supply the major services to nearly half a million citizens not only efficiently - but also at the lowest possible cost to its citizens.

Well-known as the Steel Capital of Canada - the home of Stelco and Dofasco - this community has always had a solid financial base supplying employment not only to its own citizens - but to many citizens from the surrounding area. Regional Council has not been content however to rely on past successes, but has committed itself to a constant effort to attract new industries recognizing the importance of diversification in a modern economy.

Hamilton-Wentworth has the good fortune to be mid-way between the great cosmopolitan centre of Toronto - and the American Border. Ideally located, therefore - with good transportation linkages - and adequately serviced industrial lands - it cannot help but be attractive to businesses seeking new locations.

The land required for the expansion of the Airport has already been purchased by the Federal Government of Canada - and the \$50 Million Expansion Program therefore is well underway. The Hamilton Harbour continues to be one of the most productive inland harbours in the world.

The City of Hamilton has, of course, revitalized its whole downtown area - and the redevelopment of its Civic Centre is now almost completed. The site of high-rise office towers - major shopping areas - a theatre complex - an art gallery - a new central library and market - municipal buildings - modern convention centre - all of these add to the changing skyline.



Yet Hamilton has never forgotten that it is a place for people - and that a downtown should be "inhabited" - and not "deserted" at night. So it is that there is an allowance for residential living - with apartments - renovated older homes - preserving the architectural history of the area.

The Region has the responsibility of supplying to its citizens all the major environmental services - water - sewers - sewage treatment - and waste disposal. It is the only Ontario municipality operating a Solid Waste Resource Recovery Unit. Visitors come from all over the world to see the famous "SWARU". Careful planning has resulted in guaranteeing to the citizens of the future that solid waste can be treated and disposed of safely in this area. Hamilton-Wentworth has further pioneered in contracting out the operation of its system to private industry and this has proven to be effective and economical.

In any community in these modern days - the security of that community is a matter of concern. We have been proud that from the very beginning the Hamilton-Wentworth Regional Police Force has been proven to have an outstanding record - and indeed has been used as an example for Regional Police Forces in other parts of Canada. The fact we have been a Region has allowed us to establish the 911 emergency number which gives a very large sense of security to our residents and business people.

Hamilton-Wentworth is not just a large urban centre - important although that is; it is also a combination of rural communities - Flamborough and Glanbrook - towns - Ancaster - Dundas - Stoney Creek. It affords its residents not only a variety of choice in lifestyle, but also gives business people an opportunity to locate in areas suitable for their particular operations. We include in our successful businesses our large agricultural operations; and the Stoney Creek area is not only a thriving industrial community, but also the home of some of the finest fruit lands in Ontario.

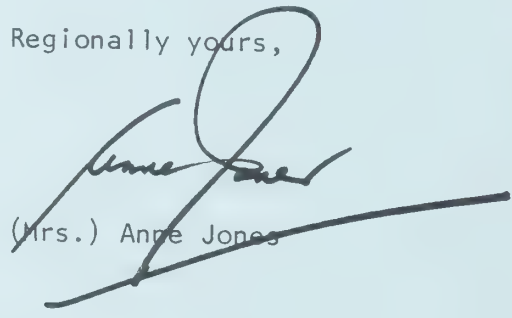


The presence of McMaster University, McMaster Health Sciences Centre and Mohawk College not only gives an opportunity for our local residents to further their education - and to have some of the finest health care in the world - but also gives business an opportunity to have research projects completed right here in Hamilton-Wentworth.

These education and health care facilities coupled with our cultural institutions make Hamilton-Wentworth a regional centre, not just for the employment noted earlier, but also for these other aspects of life as well.

Probably the greatest strength of this Region is its people. A Steel Capital could not help but have hard-working citizens - people as strong as the steel for which we are famous. However, more than that, we make good friends - good neighbours - loyal citizens - and loyal Canadians.

Regionally yours,



(Mrs.) Anne Jones



REGIONAL ADMINISTRATION

CO-ORDINATOR

C.T.C. Armstrong

REGIONAL CLERK

Mrs. Joan M. Gallipeau

ACTING COMMISSIONER OF FINANCE

J.L. Rinaldo

PERSONNEL DIRECTOR

L.R. Flemming

CHIEF OF POLICE

G.V. Torrance

ECONOMIC DEVELOPMENT DIRECTOR

J.D. Morand

MEDICAL OFFICER OF HEALTH

A.I. Cunningham

ENGINEERING COMMISSIONER

J.R.G. Leach

SOCIAL SERVICES COMMISSIONER

W.M. Carson

PLANNING COMMISSIONER

J.D. Thoms

REGIONAL SOLICITOR

R.M. Plant

DIRECTOR OF SERVICES FOR
THE ELDERLY

P.P. Papp

CHIEF LIBRARIAN

I.M. Calbick

ROYAL BOTANICAL GARDENS

A. P. Paterson



DEPARTMENT OF FINANCE

J.L. Rinaldo
Acting Commissioner of Finance

T.J. Bunce
Director of Accounting

R.R. Letourneau
Director of Finance

D.F. Jervis
Co-ordinator - Systems

A.H. Charman
Co-ordinator - Purchasing

R.P. Male
Supervisor of Accounting

AUDITORS

MacGillivray & Co., Chartered Accountants

MANAGERS OF FISCAL AGENCY

Wood Gundy Limited
(Leading Manager)

Dominion Securities Ames Limited

BANKERS

Bank of Montreal



REPORT OF THE COMMISSIONER OF FINANCE

The Regional Municipality of Hamilton-Wentworth came into existence on October 15, 1973. It is comprised of six area municipalities - the City of Hamilton, the towns of Ancaster, Dundas and Stoney Creek and the townships of Flamborough and Glanbrook. On January 1, 1974, under the authority of the Regional Municipality of Hamilton-Wentworth Act, 1973, the Region assumed its responsibilities for the following services - health, including hospitals and health units; engineering, environmental services, and public transportation; social services, including general welfare assistance, homes for the aged and day nurseries; cultural and recreational services, including the Wentworth Library Board and Wentworth Heritage Village; police protection; planning and development; and the issuing and marketing of debentures for regional purposes and for the area municipalities. In 1977, the Region also assumed responsibility for the arterial road system and transit services including the operation of the Hamilton Street Railway and the Canada Coach Lines.

Capital works are carried out in accordance with the Five Year Capital Budget Program approved by the Ontario Municipal Board. A capital levy is set aside in the current budget to be used to finance those capital expenditures that would be part of the General Levy. In 1981, the Region continued its policy of gradual conversion to a pay-as-you-go basis for financing capital programs. This has been achieved without unduly increasing the burden on the property taxpayer by postponing projects, meeting a greater share of capital projects from current funds, and financing capital works from reserves. The policy of not issuing debentures for regional roads was continued in 1981.

This year a major revision was made to the financial policy governing our Capital Program. The policy of forecasting debt charges in this year's Capital Budget have been revised to an interest factor of 13% over a ten year term. This compares to an interest factor of 10-½% over a twenty year term in the previous years. The net result of this change has been to significantly curtail our Capital Program while at the same time recognizing the current conditions of the Capital Markets.



The Region and the Area Municipalities have established a policy on debt limits well below the Ontario Municipal Board guidelines. Debt limits are set for the whole geographic region and sub-limits set for Regional purposes and each Area Municipalities' purposes, thereby preserving local autonomy subject only to the restriction of the overall financial capability of the whole Region.

During its first four years of operation, the Region marketed debentures in Canada and the United States. In 1976, an "Aa" rating was received from Moody's Investor Service on an entirely Canadian debenture issue. This rating was resubstantiated on the following issue for Canadian and American debentures. An "Aa" rating was received from Standards and Poor for an entirely American issue in 1977.

The Region operates a Current Budget Program which highlights the cost of individual services and programs provided by the Region. Various methods of evaluating the services and programs provided by the Region are being designed and implemented. This evaluation of programs will assist in the development of policies for control of expenditures and taxation.

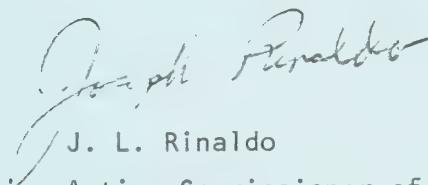
The financial statements included in this report comply with the requirements of the Ministry of Municipal Affairs and Housing. The Auditor's reports attest that these financial statements present fairly the financial position and the results of the operation of the Regional Municipality of Hamilton-Wentworth. The statements were prepared by the staff of the Finance Department and were filed with the Province on April 30, 1982.

The consolidated financial statements of the Region do not include the results of the operations of the Royal Botanical Gardens, the Hamilton Street Railway Company, and the Canada Coach lines, Limited. These statements are presented separately in Part IV of this report.



The Region's current revenues were over estimates by \$1,191,589. Expenditures were underspent by \$1,453,768, resulting in an overall surplus of \$2,645,357.

In conclusion, the financial statements reflect the results of realistic financial policies designed to provide efficient services at reasonable costs for a progressive, growing community.

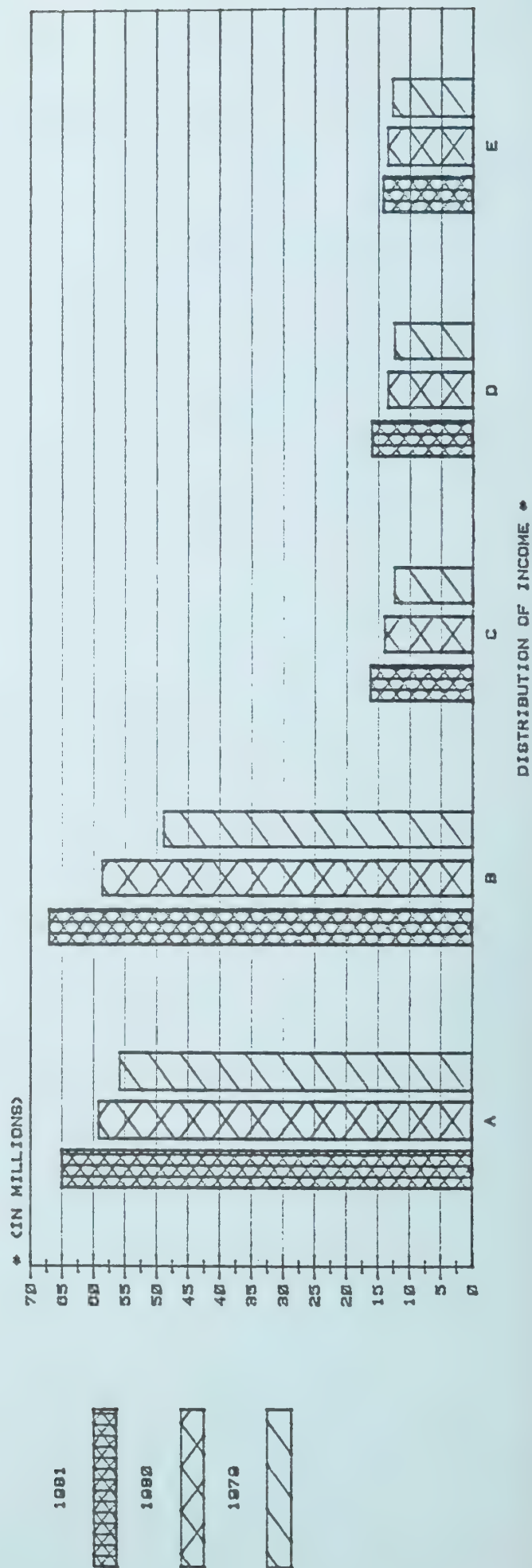


J. L. Rinaldo

Acting Commissioner of Finance

REVENUE

SOURCE OF INCOME DOLLAR	1981	1980	1979
	\$	\$	\$
A - Requisition on Local Municipalities	65,005,401	58,943,103	55,597,241
B - Ontario Grants	67,000,552	58,560,677	48,689,123
C - Other	16,188,805	14,002,231	12,308,341
D - Sanitary Sewer Surcharge	15,958,622	13,415,587	12,363,464
E - Water	14,025,324	13,367,466	12,578,814
	<u>178,178,704</u>	<u>158,289,064</u>	<u>141,536,983</u>



DISTRIBUTIONS OF INCOME DOLLARS

1981

\$

- A - Environmental Services
- B - Social & Family Services
- C - Transportation Services
- D - Protection to Persons & Property
- E - General Government & Other
- F - Health Services
- G - Planning & Development
- H - Recreation & Cultural Services
- I - Other (Surplus)

EXPENDITURES

1980

\$

- 42,382,115
- 34,644,986
- 31,798,258
- 30,615,684
- 5,540,358
- 5,505,010
- 3,550,830
- 2,723,516
- 1,528,307

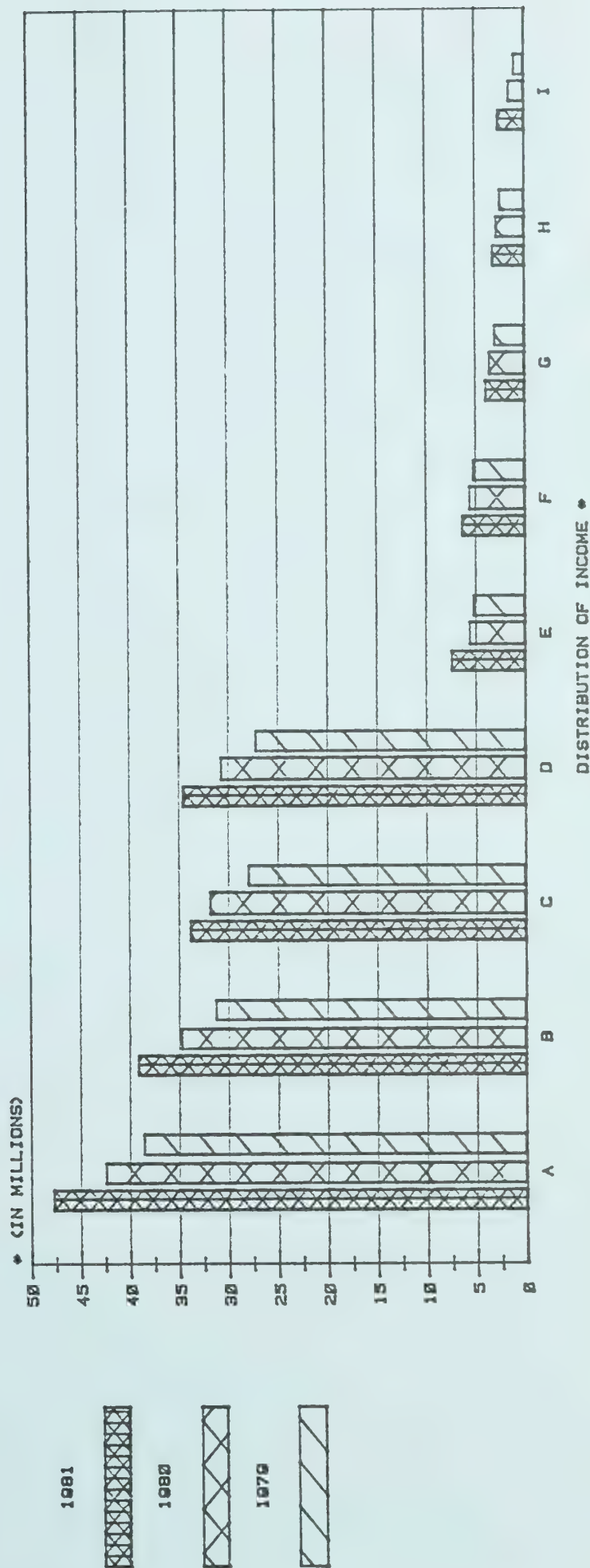
1979

\$

- 38,540,414
- 31,257,285
- 27,900,084
- 27,214,469
- 5,239,547
- 5,148,001
- 2,870,968
- 2,378,039
- 988,176

158,289,064

141,536,983



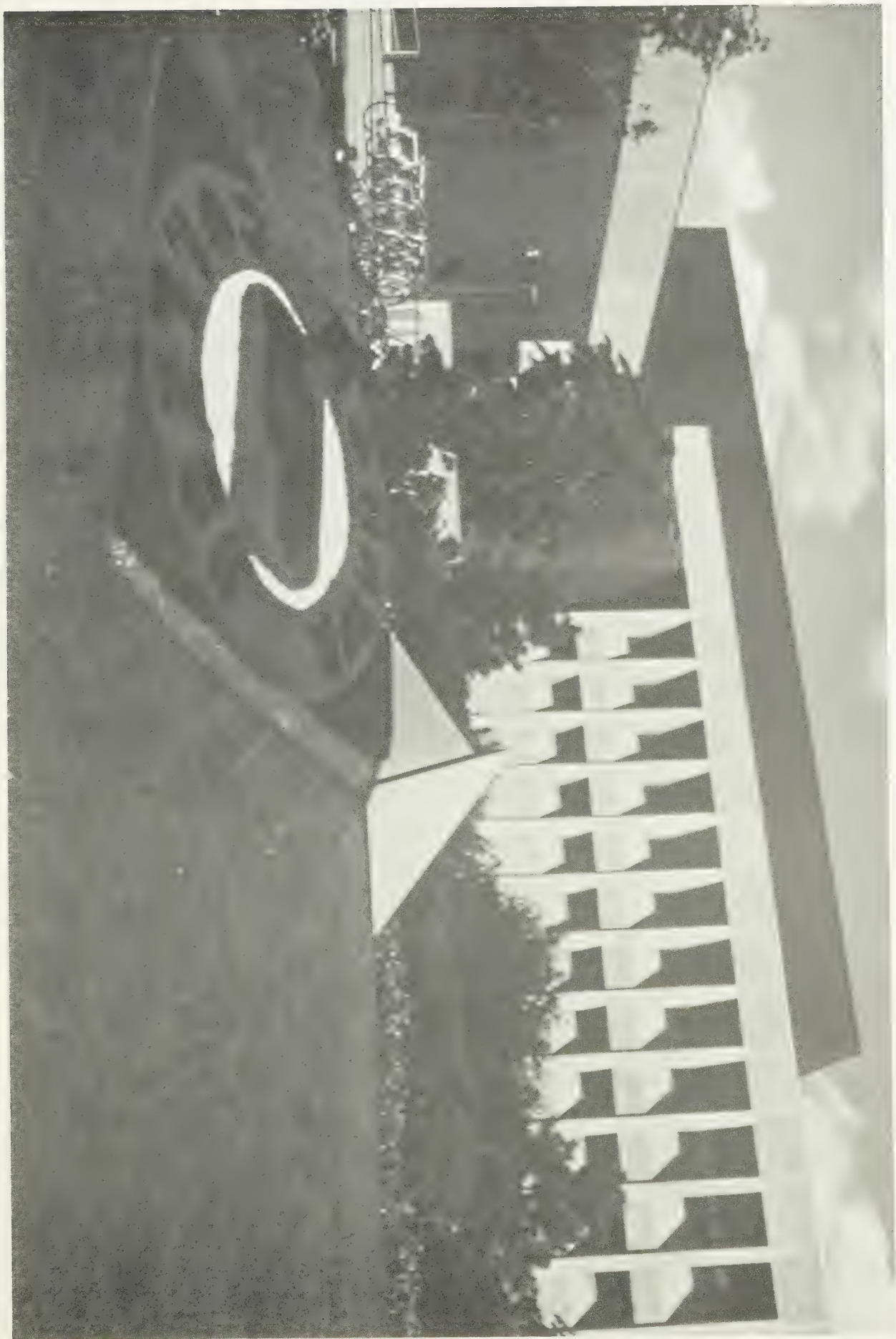


THE REGIONAL
MUNICIPALITY OF
HAMILTON-WENTWORTH

SIX YEAR FINANCIAL REVIEW

	1981	1980	1979	1978	1977	1976
POPULATION at the end of the year	414,057	410,045	407,758	407,486	411,358	409,331
AREA in acres at the end of the year	280,764	280,764	280,764	280,764	280,764	280,764
EMPLOYEES - continuous full time	2,151	2,071	2,105	2,091	2,104	2,049
- part time	274	228	215	242	147	125
NUMBER of households	154,677	153,573	152,710	150,681	147,807	142,951
ASSESSMENT						
Taxable assessment upon which the year's rate of taxation were set						
Residential and farm	\$ 672,446	\$ 671,858	\$ 674,738	\$ 664,716	\$ 642,137	\$ 637,951
Commercial and industrial	298,166	295,130	282,549	279,988	--	--
Business	138,383	137,693	131,443	132,957	409,715	406,180
TOTAL	\$1,108,995	\$1,104,681	\$1,088,730	\$1,077,661	\$1,051,852	\$1,044,131
Per capita	\$ 2,678	\$ 2,694	\$ 2,670	\$ 2,645	\$ 2,557	\$ 2,548
Commercial and industrial, and business as a percentage of taxable assessment	39.4%	39.2%	38%	38.3%	39%	38.9%
Exempt assessment	\$ 242,335	\$ 246,944	\$ 240,434	\$ 240,434	\$ 240,434	\$ 240,434
REVENUE for general municipal services						
Taxation	\$ 65,005	\$ 58,943	\$ 55,597	\$ 51,835	\$ 47,271	\$ 30,794
Direct billings to ratepayers	29,984	26,783	24,942	22,698	20,394	17,149
Ontario grants	67,001	58,561	48,689	46,171	39,883	30,464
Other grants	2,433	7,335	8	81	125	6,163
Fees and service charges	5,635	5,679	6,432	4,819	4,835	--
Other	6,592	--	4,809	3,911	5,911	--
TOTAL	\$ 176,650	\$ 157,301	\$ 140,477	\$ 129,515	\$ 118,419	\$ 84,570
EXPENDITURE - general municipal	175,533	156,761	140,549	126,469	118,045	84,626
NET LONG TERM LIABILITIES						
General municipal activities	\$ 41,773	\$ 40,631	\$ 43,544	\$ 43,215	\$ 45,456	\$ 28,324
- per capita	101	99	107	106	111	69
- percentage of taxable assessment	3.8%	3.7%	4.0%	4.0%	4.3%	2.7%
Municipal enterprises	\$ 63,855	\$ 62,534	\$ 66,881	\$ 72,560	\$ 67,808	\$ 65,103
CHARGES FOR NET LONG TERM LIABILITIES						
General municipal activities - per capita	\$ 16	\$ 17	\$ 15	\$ 17	\$ 15	\$ 9
CAPITAL FINANCING DURING THE YEAR						
Contributions from own funds	\$ 16,570	\$ 17,830	\$ 29,835	\$ 9,586	10,788	8,606
Long term liabilities incurred	10,485	81	214	9,891	11,000	7,919
Ontario grants	2,567	725	7,792	572	1,509	634
Other	1,030	506	492	670	1,177	190
TOTAL	\$ 30,652	\$ 19,142	\$ 38,333	\$ 20,719	\$ 24,474	\$ 17,349
CAPITAL EXPENDITURES DURING THE YEAR	\$ 20,241	\$ 31,340	\$ 24,463	\$ 27,860	\$ 25,894	\$ 16,390
ACCUMULATED NET REVENUE (DEFICIT) AT THE END OF THE YEAR	\$ 2,645	\$ 1,528	\$ 988	\$ 1,060	\$ 1,013	\$ 639
RESERVES AND RESERVE FUNDS	\$ 41,271	\$ 32,717	\$ 29,816	\$ 38,921	\$ 29,195	\$ 15,667

(All dollar amounts are in thousands of dollars, except per capita figures)







AUDITOR'S REPORT

for the year ended December 31, 1981

To the Chairman,
The Members of Council,
Inhabitants, and Ratepayers
of The Regional Municipality
of Hamilton-Wentworth.

We have examined the consolidated balance sheet of The Regional Municipality of Hamilton-Wentworth as at December 31, 1981 and the consolidated statements of revenue and expenditure, capital operations, and reserve and reserve funds continuity and analysis of year-end position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of The Regional Municipality of Hamilton-Wentworth as at December 31, 1981 and the results of its operations for the year then ended in accordance with generally accepted accounting principles for Ontario municipalities applied on a basis consistent with that of the preceding year.

Hamilton, Ontario
April 15, 1982

MACGILLIVRAY & CO.
Chartered Accountants
Municipal Licence No. 460(1982)



STATEMENT OF REVENUE AND EXPENDITURE
for the year ended December 31, 1981

	1981 Budget \$	1981 Actual \$	1980 Actual \$
ACCUMULATED NET REVENUE (DEFICIT) at the beginning of the year	1,528,307	1,528,307	988,176
<u>Expenditure</u>			
General Government	8,051,668	7,420,751	5,540,358
Protection to Persons and Property	34,837,198	34,525,377	30,615,684
Transportation Services	33,996,160	33,675,744	31,798,258
Environmental Services	47,272,200	47,716,087	42,382,115
Health Services	6,126,805	6,183,436	5,505,010
Social and Family Services	39,779,414	39,009,003	34,644,986
Recreation and Cultural Services	3,040,660	3,160,533	2,723,516
Planning and Development	3,883,010	3,842,416	3,550,830
TOTAL EXPENDITURE	176,987,115	175,533,347	156,760,757
<u>Revenue</u>			
Requisition on Local Municipalities	63,660,542	65,005,401	58,943,103
Direct Charges on Ratepayers	29,240,150	29,983,946	26,783,053
Ontario Grants	67,458,837	67,000,552	58,560,677
Other	15,099,279	14,660,498	13,014,055
TOTAL REVENUE	175,458,808	176,650,397	157,300,888
ACCUMULATED NET REVENUE (DEFICIT) at the end of the year	--	2,645,357	1,528,307
Analysed as follows:			
General Revenue	--	1,278,482	712,548
Special Charges	--	--	--
Special Areas	--	--	--
Local Boards	--	--	--
Municipal Enterprises	--	--	--
Supplementary Taxes Deferred	--	1,366,875	815,759
	--	2,645,357	1,528,307

The accompanying notes are an integral
part of this financial statement.



BALANCE SHEET
as at December 31, 1981

	1981 Actual \$	1980 Actual \$
<u>Assets</u>		
CURRENT ASSETS		
Cash and term deposits	42,771,110	21,757,260
Taxes receivable	--	--
Accounts receivable	19,785,135	18,277,585
Other current assets	696,630	797,598
	<u>63,252,875</u>	<u>40,832,443</u>
CAPITAL OUTLAY TO BE RECOVERED IN FUTURE YEARS	90,399,436	96,662,541
OTHER LONG-TERM ASSETS	11,175,487	23,515,830
	<u>164,827,798</u>	<u>161,010,814</u>
<u>Liabilities</u>		
CURRENT LIABILITIES		
Temporary loans	--	--
Accounts payable and accrued liabilities	18,180,866	20,842,503
Other current liabilities	3,093,528	2,757,731
	<u>21,274,394</u>	<u>23,600,234</u>
NET LONG TERM LIABILITIES	99,636,871	103,165,252
RESERVES AND RESERVE FUNDS	41,271,176	32,717,021
ACCUMULATED NET REVENUE (DEFICIT) AND UNAPPLIED CAPITAL RECEIPTS	2,645,357	1,528,307
	<u>164,827,798</u>	<u>161,010,814</u>

The accompanying notes are an integral
part of this financial statement.



NOTES TO FINANCIAL STATEMENTS
for the year ended December 31, 1981

1. MUNICIPAL STRUCTURE

The Regional Municipality of Hamilton-Wentworth came into existence on October 15, 1973 and assumed its responsibilities on January 1, 1974 under the authority of The Regional Municipality of Hamilton-Wentworth Act, 1973.

The Region comprises the following Area Municipalities, some of which were geographically restructured under the aforementioned Statute -

City of Hamilton,
Town of Dundas,
Town of Stoney Creek,
Town of Ancaster,
Township of Flamborough, and
Township of Glanbrook

and is responsible for services within these Area Municipalities related to - health, including hospitals and health units; social services, including general welfare assistance, homes for the aged, and day nurseries; certain regional recreation and cultural organizations including the Wentworth Library Board, the Royal Botanical Gardens and the Wentworth Heritage Village; engineering, including roads, sewers, water and public transportation; also, police protection; planning; and financial, including debt issues and trust and special reserve funds and reserves that relate to regional services.

Of the aforementioned activities, local boards administer the services pertaining to hospitals, health, libraries, Botanical Gardens, and police protection. The remainder of the services are administered by committees of council with separate accountability being provided for Homes for the Aged, Wentworth Heritage Village and the trusts and reserves.

Municipal enterprises are those activities whose costs are substantially recovered from service charges on the users. They are the waterworks, the sewer system, public transportation, and the hospitals.

2. OUTSTANDING MATTERS

The Region and Area Municipalities have not resolved the matters of accountability for fines levied for violations under Regional by-laws. Such fines are presently included in the revenues of certain of the Area Municipalities.



NOTES TO FINANCIAL STATEMENTS continued....

3. REPORTING PRINCIPLES

The financial statements reflect the consolidation of the assets, liabilities, revenues and expenditures of the municipal activities of the Region, with the exception of those relating to public transportation, the hospitals, the Royal Botanical Gardens and the trust funds.

Transportation services are provided by the Hamilton Street Railway Company and the Canada Coach Lines Limited. The deficits of the two companies which are owned by the Region, are included in the consolidated statement of revenue and expenditure.

While the accounts of the hospitals are not reflected in the consolidated financial statements of the Region, outstanding long-term liabilities incurred to finance the cost of the land and buildings used by the hospitals, together with annual principal and interest charges, are included in the accounts of the Region. This treatment complies with the provisions of, (1) The Hamilton Civic Hospitals Act, 1961-62, which requires that title to the aforementioned land and buildings be vested in the Municipality, and the applicable annual principal and interest charges be levied against the Municipal taxpayers, and (2) The Regional Municipality of Hamilton-Wentworth Act, 1973, whereby the Regional Corporation shall be responsible for the debt incurred by the Area Municipalities for hospital purposes.

4. ACCOUNTING POLICIES

(a) Statement of Revenue and Expenditure -

This statement reflects the revenues and expenditures of the revenue fund for the municipal activities described in Note 1 with the exception of those relating to public transportation, the hospitals, the Royal Botanical Gardens and the trust funds. The revenues and expenditures of the following local boards are included -

Health Board;
Library Board; and
Police Commission



NOTES TO FINANCIAL STATEMENTS continued....

4. ACCOUNTING POLICIES - continued

(b) Statement of Capital Operations -

- (i) This statement reflects the capital expenditures and the related capital financing; the long-term liabilities incurred are to be recovered from general municipal revenues of the municipality and its local boards described in Note 4 (a).
- (ii) In addition to the net long-term liabilities incurred and reported on this statement, the municipality also issued long-term liabilities on behalf of its area municipalities. Repayment of this debt will be made by the respective area municipalities.
- (iii) The municipality incurred an amount of \$2,591,228 in long-term liabilities on behalf of its municipal waterworks which is included in this statement. Repayment of this debt will be from the revenues of waterworks and not from general municipal revenues.

(c) Balance Sheet -

This statement reflects the assets and liabilities of the revenue fund, the capital fund, reserve funds, the local boards and municipal enterprises described in Note 4 (a).

(d) Fixed Assets -

The historical cost and accumulated depreciation of fixed assets is not reported for municipal purposes. Instead, the "capital outlay to be recovered in future years", which is the aggregate of the principal portion of unmatured long-term liabilities, capital funds transferred to other organizations, and the cost of capital projects not yet permanently financed, is reported on the "Balance Sheet".



NOTES TO FINANCIAL STATEMENTS continued....

4. ACCOUNTING POLICIES - continued

(e) Charges for Net Long-Term Liabilities -

Debt retirement costs including principal and interest are charged against current revenues in the periods in which they are paid. Interest charges are not accrued for the periods from the dates of the latest interest payment to the end of the financial year.

(f) Trust Funds -

Trust funds administered by the municipality amounting to \$2,176,634 have not been included in the consolidated financial statements.

5. CAPITAL OUTLAY TO BE RECOVERED IN FUTURE YEARS

- (a) Some capital outlay to be recovered in future years does not represent a burden on general municipal revenues, as it is to be recovered in future years from other sources.

	<u>1981</u> \$	<u>1980</u> \$
Special charges on benefitting landowners	5,814,968	1,513,320
Municipal Enterprises	63,855,463	62,534,320
	<u>69,670,431</u>	<u>64,047,640</u>

- (b) Capital outlays, including fixed assets and the transfers of capital funds in the amount of \$13,202,197 which have been financed from general municipal revenues of the current year, are reported on the "Statement of Capital Operations".



NOTES TO FINANCIAL STATEMENTS continued....

6. RESERVE AND RESERVE FUNDS

During the year \$11,369,027 was credited directly to reserves without being recorded as revenue and expenditures of the Revenue Fund.

Major sources were:

(1) Lot Levies and subdivision contributions	\$ 782,517
(2) Investment Income	6,422,388
(3) Proceeds from sales, fees and other	4,037,713
(4) Recoveries under the Local Improvement Act	126,409
	<u>\$11,369,027</u>

7. NET LONG-TERM LIABILITIES

- (a) The balance for net long-term liabilities reported on the "Balance Sheet" is made up of the following:

Total long-term liabilities incurred by the municipality including those incurred on behalf of former school boards, other municipalities and municipal enterprises and outstanding at the end of the year amount to

\$ 95,533,100

In addition, the municipality has assumed responsibility for the payment of principal and interest charges on certain long-term liabilities issued by other municipalities. At the end of the year, the principal amount of this liability is

53,458,100

Of the long term liabilities shown above the responsibility for payment of principal and interest charges has been assumed by others for a principal amount of

(42,257,470)

The total value of sinking funds and the balance in the Ministry of the Environment Debt Retirement Fund which have been accumulated to the end of the year to retire the outstanding long-term liabilities including above, amount to

(1,105,210)

Net long-term liabilities at the end of the year

\$105,628,510



NOTES TO FINANCIAL STATEMENTS continued....

7. NET LONG-TERM LIABILITIES

- (b) Included in "Net Long-Term Liabilities" on the "Balance Sheet" is an amount of \$15,231,878 payable in U.S. dollars and converted into Canadian dollars at the rate prevailing when the liability was incurred. If the liability is converted into Canadian dollars at the exchange rate prevailing at December 31, the liability would be increased by approximately \$2,894,057.

8. CHARGES FOR NET LONG-TERM LIABILITIES

Total charges for the year for net long-term liabilities were as follows:

	<u>1981</u> \$	<u>1980</u> \$
Principal payments including contributions to sinking funds and to the Ministry of the Environment Debt Retirement Fund	8,302,643	7,809,744
Interest	8,972,005	8,898,255
	<u>17,274,648</u>	<u>16,707,999</u>

Of the total charges shown above, \$6,758,969 was paid from general municipal revenues of the municipality, \$10,400,126 was recovered from user rates and these amounts are included in expenditure on the "Consolidated Statement of Revenue and Expenditure" classified under the appropriate functional headings. Of the remaining balance \$115,553 was recovered from the reserves. This amount is not reflected in the "Consolidated Statement of Revenue and Expenditures".

9. CONTRACTUAL OBLIGATIONS

- (a) Prior Agreements - The Region has assumed obligations under agreements previously executed between the Province of Ontario and certain Area Municipalities. Significant future long-term liabilities may be incurred under the agreements. The Region's annual debt charges required to service its share of the future long-term liabilities will be recovered from benefitting property owners or users of self-sustaining services. The agreements relate to the following capital projects:



NOTES TO FINANCIAL STATEMENTS continued....

9. CONTRACTUAL OBLIGATIONS continued

- (i) The Ancaster Sewer Project - the expenditures are to be financed out of the proceeds of long-term liabilities of the Province. The principal amount of the cost to the Region is approximately \$4,600,000 of which \$1,886,242 plus interest is chargeable to benefitting property owners. The balance, plus interest, is chargeable to Regional sewer surcharge revenues requiring further provisions of \$370,000 annually for the next 34 years.
- (ii) Stoney Creek Trunk Sewer - The Region's portion of the capital cost will be approximately \$800,000 which will be financed out of the proceeds of long-term liabilities of the Province. The debt will be serviced out of the Regional sewer surcharge.
- (iii) Sewage Treatment Plant, Secondary Phase - The Region's share of additional future long-term liabilities relative to this project, which are to be incurred by the Province, is expected to amount to approximately \$6,700,000. The debt will be serviced out of the Regional sewer surcharge and the reserve for Sewage Treatment Plant.
- (iv) East Mountain Sewers - this project was constructed by the Province with the Region responsible for a portion of the construction costs. The Region's present liability is approximately \$2,950,000 which includes capitalized interest charges of \$1,575,000. These costs will be financed on a pay-as-you-go basis, out of lot levies collected in the Area Municipality of the City of Hamilton.
- (v) Saltfleet Community Development Sewers - it is estimated that the Region's portion of the costs of this project will approximate \$4,580,000. The long-term liabilities which might be incurred to finance the costs will be serviced out of lot levies collected from benefitting developers in the Area Municipality of Stoney Creek. An amount of \$71,000 is provided annually towards this liability.



NOTES TO FINANCIAL STATEMENTS continued....

9. CONTRACTUAL OBLIGATIONS (continued)

- (vi) The Region has a direct liability for loans to Stoney Creek under the Ontario Housing Action Program in the total amount of \$2,523,912.88. The debt charges for these interest-free loans are chargeable to the Area Municipality.
- (b) Capital projects in progress - the Region is a party to agreements and contracts involving future liabilities relative to capital projects in progress. The financial statements reflect transactions to December 31, 1981 relative to these projects - and in particular, the Statement of Capital Operations, Statement 2, presents the financing status of projects, relative to "Municipal Activity" services in progress as at the fiscal year-end. The Capital Budget prepared for five years in the future, updated annually, provides for the financing of the Region's obligations within its estimated financial resources.
- (c) Leases - The Region has executed lease agreements requiring annual payments, chargeable to the general levies in future years as they become due and payable. The only agreements of any significance are for administrative office space.
 - Century 21 - The lease agreement with Century 21 expired in the year 1981.
 - Provincial Office Tower - The Region has signed a lease with the Province of Ontario to rent 49,517 square feet of office space at a base rental of \$10.00 per square foot, for a term of 5 years commencing January 1, 1982.
- (d) On the 7th of February, 1978, the Region entered into an agreement to run for 10 years from January 1, 1981, with Tricil Limited for the disposal of the Region's solid waste. The estimated cost in 1982 is \$7,150,000 and the agreement calls for an annual inflation factor based on prescribed Statistics Canada Tables.



NOTES TO FINANCIAL STATEMENTS continued....

10. LIABILITIES FOR VESTED SICK LEAVE BENEFITS

Under the Sick Leave Benefit Plan for employees, unused sick leave accumulates, and employees may become entitled to cash payments in lieu of sick leave upon termination of service after a certain number of continuous years. The liability for these accumulated sick days to the extent that they could be taken in cash, amounts to approximately \$7,916,034 at the end of the year. Cash payments made in lieu of sick leave are included in the expenditures of the year in which the liability is incurred.

An amount of \$1,423,977 has been provided for this past service liability and is reported on the Balance Sheet.

11. PENSION OBLIGATIONS UNDER THE TERMS OF
THE HAMILTON MUNICIPAL RETIREMENT FUND

Approximately 520 employees of the Region will be future beneficiaries under the terms and conditions of this fund. As at December 31, 1981 the fund is estimated to be fully funded.

12. CONTINGENT LIABILITIES

Mechanics liens in the approximate amount of \$3,000,000 have been registered against the lands involved in the Hamilton Secondary Stage Sewage Treatment Plant project. The project is referred to in Note 9 (a)(iii).

The Ontario Court of Appeal has substantiated the validity of the liens against the City of Hamilton and the Region now stands in place of the City. The Supreme Court of Canada has subsequently confirmed the findings of the Ontario Court of Appeal. It is understood that the legal implications are complex and that any resulting liability could be paid by the Region, and/or the Province of Ontario, and/or the insurers of the general contractors.

Other legal actions are outstanding against the Region, the potential total liability for which is not significant.



STATEMENT OF CAPITAL OPERATIONS
for the year ended December 31, 1981

	<u>1981</u> \$	<u>1980</u> \$
UNFINANCED CAPITAL OUTLAY (Unexpended capital financing) at the beginning of the year	(6,502,711)	(18,700,752)
Prior years CMHC advances credited to capital operations	1,684,759	--
	<u>(4,817,952)</u>	
CAPITAL EXPENDITURE		
General government	--	--
Protection to persons and property	414,520	10,178
Transportation services	9,734,675	9,744,628
Environmental services	9,686,122	20,908,786
Health services	--	--
Social and family services	--	936
Recreation and cultural services	--	--
Planning and development	405,250	675,751
Other	--	--
TOTAL EXPENDITURE	<u>20,240,567</u>	<u>31,340,279</u>
CAPITAL FINANCING		
Contributions from the revenue fund	13,202,197	13,896,908
Contributions from reserves and reserve funds	3,367,975	3,933,384
Long term liabilities incurred	10,484,917	81,193
Ontario grants	2,567,034	724,521
Other	1,029,574	506,232
TOTAL CAPITAL FINANCING	<u>(30,651,697)</u>	<u>(19,142,238)</u>
UNFINANCED CAPITAL OUTLAY (Unexpended capital financing)	<u>(15,229,082)</u>	<u>(6,502,711)</u>

The accompanying notes are an integral
part of this financial statement



AUDITOR'S REPORT
for the year ended December 31, 1981

To the Chairman,
The Members of Council,
Inhabitants, and Ratepayers
of The Regional Municipality
of Hamilton-Wentworth.

We have examined the balance sheet of the Trust Funds of The Regional Municipality of Hamilton-Wentworth as at December 31, 1981 and the statement of continuity for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Trust Funds of The Regional Municipality of Hamilton-Wentworth as at December 31, 1981 and the results of their operations for the year then ended in accordance with generally accepted accounting principles for Ontario municipalities applied on a basis consistent with that of the preceding year.

MacGillivray & Co

Hamilton, Ontario
April 15, 1982

MACGILLIVRAY & CO.
Chartered Accountants
Municipal Licence No. 460(1982)



TRUST FUNDS STATEMENT OF CONTINUITY
for the year ended December 31, 1981

	<u>Total</u>	<u>Welfare</u>	<u>Macassa</u>	<u>Wentworth</u>
	<u>\$</u>	<u>Trusts</u>	<u>Lodge</u>	<u>Lodge</u>
		<u>\$</u>	<u>Trusts</u>	<u>Trusts</u>
BALANCE, at the beginning of the year	1,811,703	11,506	1,282,201	517,996
<u>Capital Receipts</u>				
Residents' deposits	225,919	--	189,173	36,746
Donations	10,738	--	--	10,738
Interest earned	141,675	--	55,343	86,332
	378,332	--	244,516	133,816
Expenditure	13,401	--	--	13,401
BALANCE, at the end of year	2,176,634	11,506	1,526,717	638,411

BALANCE SHEET
as at December 31, 1981

	<u>Total</u>	<u>Welfare</u>	<u>Macassa</u>	<u>Wentworth</u>
	<u>\$</u>	<u>Trusts</u>	<u>Lodge</u>	<u>Lodge</u>
		<u>\$</u>	<u>Trusts</u>	<u>Trusts</u>
<u>Assets</u>				
Cash & short term deposits	2,028,642	--	1,475,231	553,411
Other - Long term securities	85,000	--	--	85,000
	85,000	--	--	85,000
Other - Due from revenue fund	62,992	11,506	51,486	--
	62,992	11,506	51,486	--
	2,176,634	11,506	1,526,717	638,411
<u>Liabilities</u>				
Balance in fund	2,176,634	11,506	1,526,717	638,411

The accompanying notes are an
integral part of this statement







ANALYSIS OF REVENUE FUND REVENUES
for the year ended December 31, 1981

<u>Taxation</u>	Total Revenue (own purposes) \$
Requisitions on supporting municipalities	65,005,401
Direct water billings on ratepayers	
- own municipality	14,025,324
Sewer surcharge on direct water billings	
- own municipality	15,958,622
	<u>94,989,347</u>
 <u>Ontario Unconditional Grants</u>	
Per capita general	4,129,226
Per capita police	6,982,257
Per capita density	313,278
Resource equalization	4,164,361
General support	5,641,736
Apportionment guarantee	1,048,100
	<u>22,278,958</u>
 <u>Revenues for Specific Functions</u>	
Ontario specific grants	44,721,594
Canada specific grants	40,914
Other municipalities - grants and fees	2,392,843
Fees and service charges	5,634,724
	<u>52,790,075</u>
 <u>Other Revenue</u>	
Licences and permits	112,495
Rents, concessions and franchises	721,420
Fines	78,815
Investment income - from own funds	1,022,767
Sale of publications, equipment, etc.	247,638
Contributions from reserves and reserve funds	1,136,072
Repayment	40,107
Sales Tax Rebate	27,839
Residents' Contribution	3,204,864
	<u>6,592,017</u>
 TOTAL	<u><u>176,650,397</u></u>



ANALYSIS OF UPPER TIER
for the year ended

MUNICIPALITIES WHICH SUPPORT THE UPPER TIER	Percentage of Equalized Assessment*	Share of General Support Grant	Requisitions on	
			Requisition for General Purposes	Requisitions Land Drainage
	1 %	2 \$	3 \$	4 \$
<u>Cities and Towns</u>				
Ancaster	3.584	135,847	1,610,586	--
Dundas	3.933	192,801	2,038,110	--
Hamilton	74.926	4,584,253	39,932,539	3,294,700
Stoney Creek	9.121	456,345	4,899,632	--
<u>Townships</u>				
Flamborough	6.232	202,829	2,816,898	--
Glanbrook	2.204	69,661	949,832	--
TOTAL	100.000	5,641,736	52,247,597	3,294,700

* Including equivalent equalized assessments; this column should reflect the apportionment of the requisition for general purposes before netting of unconditional per capita grants paid directly to restructure upper tier municipalities, and apportionment guarantee grants paid directly to all upper tiers.



THE REGIONAL
MUNICIPALITY OF
HAMILTON-WENTWORTH

REQUISITIONS AND DIRECT CHARGES
DECEMBER 31, 1981

supporting municipalities				direct billings on ratepayers			
special purposes		Share of Supp. Taxes	Total Requisitions	Water Service Charges		Sewer Service Charges	
Library	Transit Levy			Residences	All Other Properties	Residences	All Other Properties
5	6	7	8	9	10	11	12
\$	\$	\$	\$	\$	\$	\$	\$
127,544	--	52,060	1,790,190	190,677	31,040	320,748	24,142
--	--	19,005	2,057,115	239,051	195,586	266,171	217,776
--	7,342,329	1,088,917	51,658,485	5,098,705	7,041,069	5,803,330	8,014,046
324,630	--	151,701	5,375,963	734,336	285,574	804,883	344,949
221,812	--	46,211	3,084,921	93,353	54,826	117,056	45,521
79,914	--	8,981	1,038,727	61,107	--	--	--
753,900	7,342,329	1,366,875	65,005,401	6,417,229	7,608,095	7,312,188	8,646,434



THE REGIONAL
MUNICIPALITY OF
HAMILTON-WENTWORTH

ANALYSIS OF REVENUE FUND EXPENDITURES
for the year ended December 31, 1981

	Salaries Wages and Employee Benefits	Net Long Term Debt Charges	Materials, Supplies Services, Rents and Financial Expenses	Transfers To Own Funds	Other Transfers	Total Expenditures
<u>General Government</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Protection to Persons & Property	3,413,085	--	2,440,645	1,567,021	--	7,420,751
Fire	2,214	--	1,218	--	--	3,432
Police	27,431,986	1,288,900	3,219,747	594,698	--	32,535,331
Conservation authority	--	--	--	--	1,925,462	1,925,462
Emergency measures	37,700	--	20,602	2,850	--	61,152
<u>Transportation Services</u>	<u>27,471,900</u>	<u>1,288,900</u>	<u>3,241,567</u>	<u>597,548</u>	<u>1,925,462</u>	<u>34,525,377</u>
Roadways	1,268,606	2,437,122	4,183,902	8,905,925	--	16,795,555
Winter control	295,878	--	1,324,842	--	--	1,620,720
Transit	--	--	15,259,469	--	--	15,259,469
<u>Environmental Services</u>	<u>1,564,484</u>	<u>2,437,122</u>	<u>20,768,213</u>	<u>8,905,925</u>	<u>--</u>	<u>33,675,744</u>
Sanitary sewer system	3,244,817	5,159,024	5,340,600	3,248,016	--	16,992,457
Storm sewer system	41,614	1,247,711	157,465	2,167,180	--	3,613,970
Waterworks system	3,311,488	5,241,103	5,390,990	2,095,290	--	16,038,871
Garbage disposal	212,109	903,121	8,116,533	73,000	--	9,304,763
Pollution control	592,449	--	127,945	33,956	--	754,350
Administration	777,430	--	216,418	17,828	--	1,011,676
<u>Health Services</u>	<u>8,179,907</u>	<u>12,550,959</u>	<u>19,349,951</u>	<u>7,635,270</u>	<u>--</u>	<u>47,716,087</u>
Public health services	3,902,833	--	710,889	15,108	--	4,628,830
Public health inspections and control	604,115	--	68,376	--	--	672,491
Hospitals	--	882,115	--	--	--	882,115
<u>Social and Family Services</u>	<u>4,506,948</u>	<u>882,115</u>	<u>779,265</u>	<u>15,108</u>	<u>--</u>	<u>6,183,436</u>
General assistance	2,980,849	--	24,120,433	44,190	495,407	27,640,879
Assistance to aged persons	5,391,843	--	1,417,478	181,050	--	6,990,371
Assistance to children	--	--	1,468,298	--	--	1,468,298
Day nurseries	644,894	--	2,252,041	12,520	--	2,909,455
<u>Recreation and Cultural Services</u>	<u>9,017,586</u>	<u>--</u>	<u>29,258,250</u>	<u>237,760</u>	<u>495,407</u>	<u>39,009,003</u>
Libraries	543,556	--	602,509	19,694	--	1,165,759
Other cultural	195,068	--	201,925	3,700	1,594,081	1,994,774
<u>Planning and Development</u>	<u>738,624</u>	<u>--</u>	<u>804,434</u>	<u>23,394</u>	<u>1,594,081</u>	<u>3,160,533</u>
Planning and zoning	1,804,299	--	235,708	30,030	--	2,070,037
Commercial and Industrial	298,367	--	469,112	1,004,400	--	1,772,379
	2,103,166	--	704,820	1,034,430	--	3,842,416
<u>TOTAL</u>	<u>56,995,700</u>	<u>17,159,096</u>	<u>77,347,145</u>	<u>20,016,456</u>	<u>4,014,950</u>	<u>175,533,347</u>

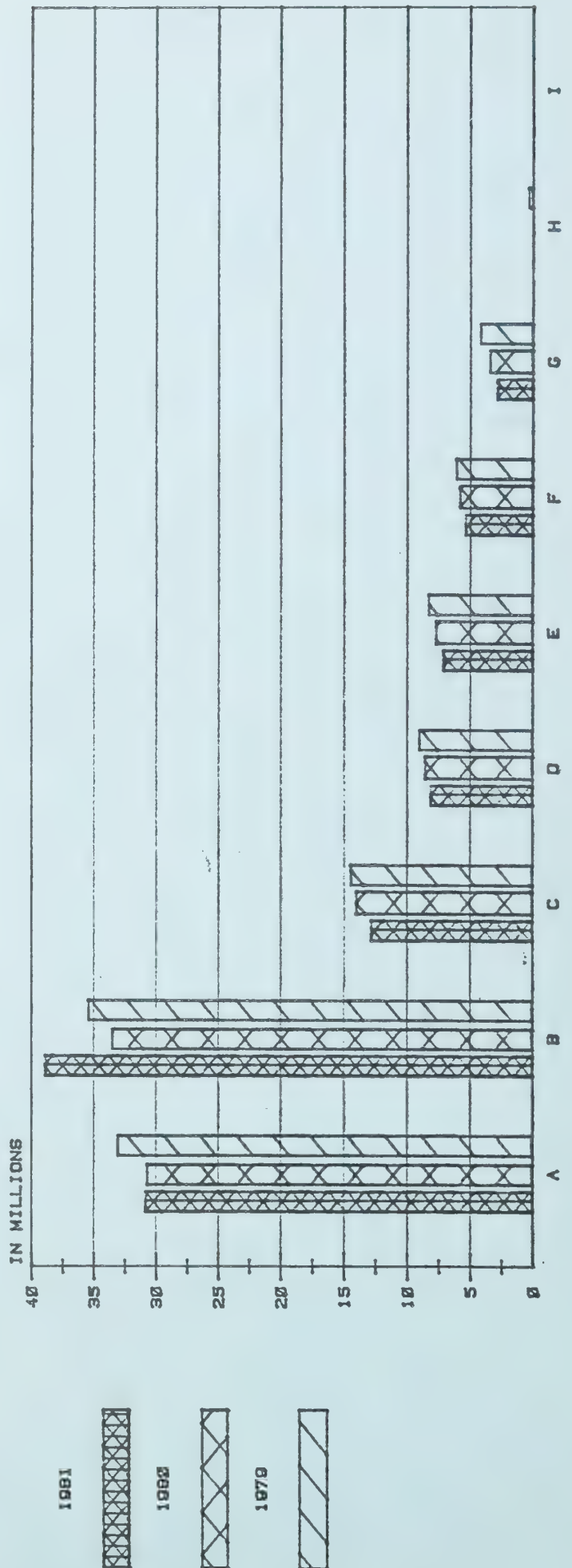


ANALYSIS OF CAPITAL OPERATIONS
for the year ended December 31, 1981

UNFINANCED CAPITAL OUTLAY (Unexpended capital financing) at the beginning of the year	(6,502,711)
Prior years CMHC advances credited to capital operations	<u>1,684,759</u>
	(4,817,952)
SOURCES OF FINANCING	
<u>Contributions from own funds</u>	
Revenue fund	13,202,197
Reserves and reserve funds	<u>3,367,975</u>
	<u>16,570,172</u>
<u>Long Term Liabilities Incurred</u>	
Central Mortgage and Housing Corporation	6,321,447
Tile drainage and shoreline property assistance programs	121,900
Serial debentures	<u>19,749,648</u>
	<u>26,192,995</u>
<u>Grants and Loan Forgiveness</u>	
Ontario	2,567,034
Canada	<u>464,883</u>
	<u>3,031,917</u>
<u>Other Financing</u>	
Prepaid special charges	187,019
Rent	46,880
Contributions from other	<u>330,792</u>
	<u>564,691</u>
TOTAL SOURCES OF FINANCING	<u>46,359,775</u>
APPLICATIONS	
Own Expenditures - other	20,240,567
	<u>20,240,567</u>
TRANSFERS OF PROCEEDS FROM LONG TERM LIABILITIES TO:	
Other municipalities	14,878,078
Unconsolidated local boards	<u>830,000</u>
	<u>15,708,078</u>
TOTAL APPLICATIONS	<u>35,948,645</u>
UNFINANCED CAPITAL OUTLAY (Unexpended capital financing) at the end of the year	<u>(15,229,082)</u>

ANALYSIS OF DEBT OUTSTANDING

	1981	1980	1979
	\$	\$	\$
Self-Supporting			
A - Waterworks System	30,840,959	30,643,056	33,022,773
B - Sanitary Sewer System	38,829,472	33,404,584	35,399,082
C - Roadways	12,735,343	13,875,190	14,394,298
D - Police	8,108,000	8,533,000	8,921,000
E - Storm Sewer System	7,034,021	7,565,937	8,170,587
General Levy			
F - Garbage Disposal	5,274,610	5,696,207	6,091,724
G - Hospitals	2,806,114	3,447,278	4,119,272
H - Transit	---	---	277,000
I - Assistance to Aged	---	---	29,000
	105,628,519	103,165,252	110,424,736





RESERVE AND RESERVE FUNDS STATEMENT OF CONTINUITY
for the year ended December 31, 1981

	1981 <u>Actual</u> \$	1980 <u>Actual</u> \$
AVAILABLE AT THE BEGINNING OF THE YEAR FOR FUTURE MUNICIPAL PURPOSES	<u>32,717,021</u>	<u>29,816,482</u>
<u>Revenue</u>		
Contributions from the revenue fund	6,464,259	7,726,252
Contributions from developers	782,517	737,157
Local recoveries	126,409	715,743
Transfer from other reserves	335,254	401,936
Proceeds, sales, fees, other	4,037,713	870,326
Interest earned	6,422,388	4,635,664
Subsidies - MTC	38,069	--
Total Revenue	<u>18,206,609</u>	<u>15,087,078</u>
<u>Expenditure</u>		
Transfers to revenue fund	1,136,072	1,000,748
Transfers to capital fund	3,367,975	3,933,384
Charges for long term liability		
- principal	29,000	28,000
- interest	86,553	88,997
Transfers to other reserves	335,254	401,936
General	4,697,600	6,733,474
Total Expenditure	<u>9,652,454</u>	<u>12,186,539</u>
AVAILABLE AT THE YEAR END FOR FUTURE MUNICIPAL PURPOSES	<u>41,271,176</u>	<u>32,717,021</u>



RESERVES AND RESERVE FUNDS
ANALYSIS OF YEAR END POSITION
as at December 31, 1981

	1981 <u>Actual</u> \$	1980 <u>Actual</u> \$
Reserves - analysed as follows		
Working funds	6,215,342	6,692,668
Ministry of the Environment fund for renewals, etc.		
- sewer	183,158	183,158
- water	131,269	131,269
Replacement of equipment	1,280,194	826,175
Sick leave	1,423,997	1,079,577
Insurance	1,338,172	1,495,902
Workmen's compensation	211,647	436,042
Capital Expenditure		
- roads	--	77,902
- sanitary and storm sewers	6,785,631	4,128,570
- library and other recreation	27,222	62,436
- water	2,690,444	2,604,949
- industrial development	1,200,342	379,456
- other and unspecified	8,755,330	4,207,273
Lot levies and subdivider contribution	3,429,775	3,242,863
Debenture repayment	6,993,713	5,905,933
Exchange rate stabilization	551,670	672,994
Transit current purposes	--	557,324
Library current purposes	53,270	32,530
YEAR END POSITION OF RESERVES	<u>41,271,176</u>	<u>32,717,021</u>



CONTINUITY OF OTHER CURRENT LIABILITIES
for the year ended December 31, 1981

	<u>Total</u> \$	<u>Remission</u> <u>of Taxes</u> \$	<u>H.M.R.F.</u> <u>Actuarial</u> <u>Deficiency</u> \$
BALANCE at January 1, 1981	<u>2,757,731</u>	<u>181,762</u>	<u>2,575,969</u>
<u>Revenue</u>			
Contributions from revenue fund	350,000	350,000	--
Interest earned	412,440	--	412,440
Proceed, sales, fees, etc.	10,427	--	10,427
	<u>772,867</u>	<u>350,000</u>	<u>422,867</u>
<u>Expenditures</u>			
Supplementary Taxes (write offs)	437,070	437,070	--
	<u>437,070</u>	<u>437,070</u>	<u>--</u>
BALANCE at December 31, 1981	<u><u>3,093,528</u></u>	<u><u>94,692</u></u>	<u><u>2,998,836</u></u>



THE REGIONAL
MUNICIPALITY OF
HAMILTON-WENTWORTH

THE REGIONAL MUNICIPALITY OF HAMILTON-WENTWORTH

ANALYSIS OF ASSETS AND LIABILITIES
as at December 31, 1981

	Revenue Fund	Library Board	Waterworks Consolidated Municipal Enterprises	Capital Fund	Internal Fund Eliminations	Consolidated Total
	\$	\$	\$	\$	\$	\$
CURRENT ASSETS						
Cash and term deposits	43,054,390	720	--	--	284,000	42,771,110
Accounts receivable	18,331,100	52,405	3,499,642	15,229,083	17,327,095	19,785,135
Other current assets	223,046	12,708	460,876	--	--	696,630
	61,608,536	65,833	3,960,518	15,229,083	17,611,095	63,252,875
CAPITAL OUTLAY TO BE RECOVERED IN FUTURE YEARS	--	--	--	90,399,436	--	90,399,436
OTHER LONG TERM ASSETS	16,379,866	--	503,269	--	5,707,648	11,175,487
TOTAL	77,988,402	65,833	4,463,787	105,628,519	23,318,743	164,827,798
CURRENT LIABILITIES						
Accounts Payable and accrued liabilities	35,139,145	12,563	356,253	--	17,327,095	18,180,866
Other current liabilities	3,093,528	--	--	--	--	3,093,528
	38,232,673	12,563	356,253	--	17,327,095	21,274,394
NET LONG TERM LIABILITIES	--	--	--	105,628,519	5,991,648	99,636,871
RESERVES AND RESERVE FUNDS	37,110,372	53,270	4,107,534	--	--	41,271,176
BALANCE (OR DEFICIT) AT THE YEAR END	2,645,357	--	--	--	--	2,645,357
TOTAL	77,988,402	65,833	4,463,787	105,628,519	23,318,743	164,827,798







LIBRARY BOARD
BALANCE SHEET
as at December 31, 1981

	<u>1981</u> \$	<u>1980</u> \$
<u>Assets</u>		
CURRENT ASSETS		
Cash	720	520
Accounts Receivable		
- own municipality	52,406	64,413
- other	929	568
Other Current Assets		
- prepaid expenses	12,708	--
	<u>66,763</u>	<u>65,501</u>
	<u><u>66,763</u></u>	<u><u>65,501</u></u>
 <u>Liabilities</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	13,493	32,972
RESERVES	53,270	32,529
	<u>66,763</u>	<u>65,501</u>
	<u><u>66,763</u></u>	<u><u>65,501</u></u>



THE REGIONAL
MUNICIPALITY OF
HAMILTON-WENTWORTH

LIBRARY BOARD
STATEMENT OF REVENUE AND EXPENDITURE
for the year ended December 31, 1981

	1981 Budget \$	1981 Actual \$	1980 Actual \$
ACCUMULATED NET REVENUE (DEFICIT) at the beginning of the year	--	--	--
<u>Expenditure</u>			
Salaries	492,633	488,601	447,912
Benefits	47,834	52,325	39,197
	540,467	540,926	487,109
Collections development	203,230	211,641	180,551
Collections organization	31,040	33,765	38,030
Collections maintenance	11,980	13,075	7,094
Collections control	7,270	5,367	4,519
Public Access - localized	93,200	95,157	74,750
Public Access - systemwide	6,475	6,148	3,867
Public assistance	630	369	383
Public attendance programs	4,050	6,114	840
Public relations	7,550	9,237	7,738
Administration	43,500	42,323	43,110
Maintenance of facilities	--	--	6,680
Special projects	18,500	19,424	4,828
Experience '81 ('80)	--	2,630	2,248
Computer system	56,073	179,583	--
Recon project	--	--	24,279
TOTAL EXPENDITURE	1,023,965	1,165,759	886,026
<u>Revenue</u>			
Municipal Levy	753,900	753,900	618,600
General Support Grant	37,100	39,222	35,100
Provincial Grant	176,400	182,901	165,589
Wintario Grants	--	--	5,412
Canada Summer Youth Employment Grant	--	--	9,151
SCRLS Grants	250	300	6,250
Wentworth County Board of Education	--	--	1,700
Rents	1,050	1,160	--
Experience '81 ('80) grant	--	2,256	1,685
Miscellaneous Grants	200	528	200
Fines	21,800	12,638	--
A/V Fees	1,500	734	21,111
Program fees	2,315	4,151	--
Book sales	4,500	2,229	5,248
A/V Equipments Rentals	2,600	2,630	2,502
Photo-copy fees	22,350	15,362	13,478
Sundry revenues	--	2,146	--
Region's capital reserve -			
Advance computer system	--	144,552	--
Transfer from reserves	--	1,050	--
Total Revenue	1,023,965	1,165,759	886,026
ACCUMULATED NET REVENUE (DEFICIT) at the end of the year	--	--	--



LIBRARY BOARD
CHANGES IN FINANCIAL POSITION
for the year ended December 31, 1981

	<u>1981</u> \$	<u>1980</u> \$
<u>SOURCE OF FUNDS</u>		
Total revenue	1,164,709	886,026
Total operating expenditure	(1,149,609)	(875,363)
Total provided from operations	15,100	10,663
Other		
- interest earned on reserves	5,184	2,360
- film replacement reserve	497	428
	<u>20,781</u>	<u>13,451</u>
<u>USE OF FUNDS</u>		
Other		
- film replacement reserve	40	-
NET INCREASE IN WORKING CAPITAL	20,741	13,451
WORKING CAPITAL at the beginning of the year	<u>32,529</u>	<u>19,078</u>
WORKING CAPITAL at the end of the year	<u>53,270</u>	<u>32,529</u>



THE REGIONAL
MUNICIPALITY OF
HAMILTON-WENTWORTH

LIBRARY BOARD
CONTINUITY OF RESERVES
for the year ended December 31, 1981

	Total	Vehicle	Catalogue Automation	Books	Film Replacement	Library Facilities	Equipment Repair/Replacement	Working Funds
	\$	\$	\$	\$	\$	\$	\$	\$
BALANCE at the beginning of the year	32,529	6,155	12,731	6,113	1,064	6,466	--	--
<u>Revenue</u>								
Contributions from current fund	16,150	3,500	5,000	--	--	--	650	7,000
Proceeds from service fees	497	--	--	--	497	--	--	--
Interest	5,184	982	2,031	975	61	1,031	104	--
	54,360	10,637	19,762	7,088	1,622	7,497	754	7,000
<u>Expenditure</u>								
Replacement	40	--	--	--	40	--	--	--
Contributions to current revenue	1,050	--	--	--	1,050	--	--	--
	1,090	--	--	--	1,090	--	--	--
BALANCE at the end of the year	53,270	10,637	19,762	7,088	532	7,497	754	7,000



ROYAL BOTANICAL GARDENS
for the year ended December 31, 1981

To the Board of Governors
of the Royal Botanical Gardens

We have examined the balance sheet of the Royal Botanical Gardens as at December 31, 1981 and the schedules of revenue and expenditure (operating and maintenance), and revenue and expenditure (development, scientific and educational), for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the organization as at December 31, 1981 and the results of its operations for the year then ended in accordance with the accounting principles set out in the notes to the financial statements applied on a basis consistent with that of the preceding year.

Hamilton, Ontario
March 30, 1982

MACGILLIVRAY & CO.
Chartered Accountants
Municipal Licence No. 460(1982)



ROYAL BOTANICAL GARDENS
BALANCE SHEET
as at December 31, 1981

	<u>1981</u> \$	<u>1980</u> \$
Assets		
Cash	200	200
Accounts Receivable		
- general	115,644	115,000
- Hamilton-Wentworth Region	135,698	154,916
	<u>251,542</u>	<u>270,116</u>
TOTAL CURRENT ASSETS	251,542	270,116
Due from Hamilton-Wentworth Region for the Headquarters Expansion Project	60,069	64,147
Headquarters Expansion Program - Work-in- progress net of proceeds	(60,069)	(64,147)
	<u>251,542</u>	<u>270,116</u>
TRUST FUNDS UNDER ADMINISTRATION	773,995	647,463
	<u>1,025,537</u>	<u>917,579</u>
LIABILITIES, RESERVES, DEFICITS		
Liabilities		
Accounts Payable - general	22,759	53,033
Deferred revenues	34,950	27,245
	<u>57,709</u>	<u>80,278</u>
TOTAL CURRENT LIABILITIES	57,709	80,278
RESERVES	188,548	189,595
ACCUMULATED SURPLUS (DEFICIT)		
from operations and maintenance	5,099	(78)
from development, scientific and educational	186	321
	<u>5,285</u>	<u>243</u>
TOTAL ACCUMULATED SURPLUS (DEFICIT)	5,285	243
TRUST FUNDS UNDER ADMINISTRATION	773,995	647,463
	<u>1,025,537</u>	<u>917,579</u>



NOTES TO FINANCIAL STATEMENTS
for the year ended December 31, 1981

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Fixed Assets -

Fixed assets are recorded on the balance sheet only in the event that they are acquired from the proceeds of long-term financing. Under these circumstances the fixed assets are set-up at values which equal the outstanding long-term liabilities incurred to finance them.

When fixed assets are acquired from current funds the costs are written off in the years of acquisition.

When fixed assets are incurred from special donations, neither the assets or the proceeds are recorded in the accounts.

(b) Depreciation -

Depreciation is not provided in the accounts.

(c) Accrual Basis of Accounting -

Revenues and expenditures are recorded in the accounts on the accrual basis.

(d) Trust Funds and Reserves -

Transfers are made from the trust funds and reserves to the revenues as required to defray applicable costs included in the expenditures.



ROYAL BOTANICAL GARDENS
SUMMARY OF RESERVE BALANCES
as at December 31, 1981

	<u>1981</u> \$	<u>1980</u> \$
Donations for specific purposes	25,647	22,941
Property acquisition	26,375	43,196
Education and interpretation	5,000	5,500
Plant collections	2,500	1,500
Accumulated sick leave	77,707	64,695
Replacement of equipment	51,319	51,763
	<u>188,548</u>	<u>189,595</u>



ROYAL BOTANICAL GARDENS
SCHEDULE OF REVENUE AND EXPENDITURE
(OPERATING AND MAINTENANCE)
for the year ended December 31, 1981

	<u>1981</u> \$	<u>1980</u> \$
<u>Revenue</u>		
GRANTS		
Hamilton-Wentworth Region	625,230	562,400
Halton Region	143,920	128,500
	<u>769,150</u>	<u>690,900</u>
OTHER REVENUE		
Membership fees and contributions	83,210	66,960
Rents	5,030	6,362
Tea House proceeds	10,509	10,401
Weather services	2,244	2,276
Unclassified	21,889	13,363
	<u>122,882</u>	<u>99,362</u>
TRANSFERS FROM TRUST FUNDS AND RESERVES		
Katie Osborne endowment funds	4,071	3,964
Reserves	20,359	12,393
	<u>24,430</u>	<u>16,357</u>
TOTAL REVENUE	<u>916,462</u>	<u>806,619</u>
<u>Expenditure</u>		
Operation and maintenance -		
Administration	128,997	127,500
Employee benefits	77,732	78,235
Buildings	184,822	148,228
Tea House	11,452	8,055
General	158,000	139,254
Garden areas	299,585	258,036
Conservation area	50,697	47,025
	<u>911,285</u>	<u>806,333</u>
NET SURPLUS (DEFICIT) for the year	5,177	286
SURPLUS (DEFICIT) beginning of year	(78)	(364)
SURPLUS (DEFICIT) end of year	<u>5,099</u>	<u>(78)</u>



THE REGIONAL
MUNICIPALITY OF
HAMILTON-WENTWORTH

ROYAL BOTANICAL GARDENS
SCHEDULE OF REVENUE AND EXPENDITURE
(DEVELOPMENT, SCIENTIFIC AND EDUCATIONAL)
for the year ended December 31, 1981

	1981 \$	1980 \$
<u>Revenue</u>		
GRANTS - Ontario Ministry of Culture and Recreation		
Operating	898,000	847,900
Outreach program	107,745	120,115
Festival Ontario	4,844	365
Experience '81,'80	10,500	10,376
Wintario	10,750	--
	<u>1,031,839</u>	<u>978,756</u>
TEACHING GRANTS AND OTHER REVENUES		
Fees - outreach programs	1,490	--
Humber College	1,575	1,425
McMaster University	--	2,500
University of Toronto	2,600	2,600
Rents - RBG Centre	37,830	26,184
Lecture and broadcast fees	11,017	14,536
Other fees	500	100
	<u>55,012</u>	<u>47,345</u>
TRANSFER FROM TRUST FUNDS AND RESERVES		
Palmer Memorial Trust	15,584	14,883
Reserves	108,088	36,306
Dunington Grubb Centre	20,637	11,556
	<u>144,309</u>	<u>62,745</u>
GRANT - Federal Government - Young Canada Works Program	15,843	22,122
TOTAL REVENUE	<u>1,247,003</u>	<u>1,110,968</u>
<u>Expenditure</u>		
On-going development		
Garden area	147,447	134,757
Conservation area	55,946	50,955
Major plant collections - - acquisition and maintenance	163,822	143,624
	<u>367,215</u>	<u>329,336</u>
Scientific and research program	359,385	327,276
Educational program	139,621	123,454
Share of operation and maintenance - R.B.G. Centre	93,000	86,000
Administration	69,076	61,954
	<u>661,082</u>	<u>598,684</u>
Special programs -		
Outreach program	120,433	120,115
Festival Ontario: Experience '81,'80	15,344	10,741
Youth Canada Works Program	15,844	22,122
Palmer Memorial Trust research program	15,584	14,883
Centre for Canadian historical horticultural studies	20,637	11,556
Visitors' Information project	13,000	--
Acquisition of grand piano	18,000	--
	<u>218,842</u>	<u>179,417</u>
TOTAL EXPENDITURE	<u>1,247,139</u>	<u>1,107,437</u>
NET SURPLUS (DEFICIT) for the year	(136)	3,531
SURPLUS (DEFICIT) beginning of year	322	(3,209)
SURPLUS (DEFICIT) end of year	<u>186</u>	<u>322</u>



ROYAL BOTANICAL GARDENS
TRUST FUNDS
BALANCE SHEET
as at December 31, 1981

	Total	Katie Osborne Endowment Funds	General Endowment Funds	Palmer Memorial Trust	Library Endowment Funds	Dunington Grubb Foundation Endowment
	\$	\$	\$	\$	\$	\$
<u>Assets</u>						
INVESTMENTS						
Province of Ontario	22,000	22,000	--	--	--	--
B.C. Electric Co. Ltd.	5,000	--	--	5,000	--	--
Public Shares	30,291	30,291	--	--	--	--
Municipalities	111,000	--	--	111,000	--	--
Guaranteed certificates	163,200	--	--	8,000	3,800	151,400
	331,491	52,291	--	124,000	3,800	151,400
ACCOUNTS RECEIVABLE						
Hamilton-Wentworth Region	442,504	--	372,654	59,299	7,489	3,062
	442,504	--	372,654	59,299	7,489	3,062
TOTAL ASSETS	773,995	52,291	372,654	183,299	11,289	154,462
<u>Liabilities and Equity</u>						
ACCOUNTS PAYABLE						
Hamilton-Wentworth Region	--	--	--	--	--	--
Equity	773,995	52,291	372,654	183,299	11,289	154,462
TOTAL LIABILITIES AND EQUITY	773,995	52,291	372,654	183,299	11,289	154,462



AUDITOR'S REPORT
for the year ended December 31, 1981

To the Shareholders of
The Hamilton Street Railway Company

We have examined the balance sheet of The Hamilton Street Railway Company as at December 31, 1981 and the statements of earnings, retained earnings, contributed surplus and reserves for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1981 and the results of its operations for the year then ended in accordance with the accounting principles set out in the notes to the financial statements applied on a basis consistent with that of the preceding year.

MacGillivray & Co.

Hamilton, Ontario
February 12, 1982

MACGILLIVRAY & CO.
Chartered Accountants
Municipal Licence No. 460(1982)



THE REGIONAL
MUNICIPALITY OF
HAMILTON-WENTWORTH

THE HAMILTON STREET RAILWAY COMPANY
BALANCE SHEET
as at December 31, 1981

	1981 \$	1980 \$
<u>Assets</u>		
CURRENT		
Cash	125,947	134,966
Working funds advance to employees	50,000	40,000
Accounts receivable	380,832	326,941
Due from the Regional Municipality of Hamilton-Wentworth	2,035,005	1,640,691
Due from wholly-owned subsidiaries	39,536	43,526
Inventory of parts and supplies	465,158	508,319
Prepaid expenses	243,858	235,562
	<u>3,340,336</u>	<u>2,930,005</u>
INVESTMENTS IN SHARES OF WHOLLY-OWNED SUBSIDIARIES		
The Canada Coach Lines, Limited	916,500	916,500
Safety Service & Adjusters Limited	13	13
	<u>916,513</u>	<u>916,513</u>
FIXED		
Land, buildings, and operating equipment	20,564,523	20,460,653
Less: accumulated depreciation	11,628,845	10,436,472
	<u>8,935,678</u>	<u>10,024,181</u>
	<u>13,192,527</u>	<u>13,870,699</u>
<u>Liabilities</u>		
CURRENT		
Accounts payable and accrued liabilities	2,773,753	2,239,344
Liability for tickets and passes held by public	272,033	196,349
Estimated liability and reserve public liability claims	387,650	458,752
Current portion of long-term debt	288,000	372,000
	<u>3,721,436</u>	<u>3,266,445</u>
DEFERRED DEBT - less current portion (note 2)	<u>324,000</u>	<u>612,000</u>
<u>Shareholder's Equity</u>		
Capital Stock		
Authorized, issued and fully paid - 400,000 shares of no par value	400,000	400,000
Contributed surplus to finance capital additions	<u>6,125,324</u>	<u>6,877,038</u>
RETAINED EARNINGS		
On acquisitions	1,567,119	1,567,119
Since acquisition	(93,449)	--
Capital reserve for improvement and replacement	1,148,097	1,148,097
	<u>2,621,767</u>	<u>2,715,216</u>
	<u>9,147,091</u>	<u>9,992,254</u>
	<u>13,192,527</u>	<u>13,870,699</u>



THE HAMILTON STREET RAILWAY COMPANY
NOTES TO FINANCIAL STATEMENTS
for the year ended December 31, 1981

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Depreciation -

Fixed assets are recorded at historical cost. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets, with the exception of service cars, which are depreciated on a declining balance basis.

(b) Inventory -

Inventory is valued at the lower of average cost and replacement cost.

(c) Recognition of Revenue -

Ticket and passes revenues are recognized when the tickets and passes are honoured on the vehicle. This treatment gives rise to an estimated liability for tickets and passes which have been sold but which have not been redeemed or used at the end of the fiscal year.

(d) Contributed Surplus -

The company records as contributed surplus, grants received under the Province of Ontario's Transit Capital Assistance Program for 75% of the cost of certain capital expenditures.

Annual depreciation on 75% of the cost of approved assets has been charged against contributed surplus.

(e) Subsidiary Companies -

Consolidated financial statements have not been prepared, nor has the equity method of accounting for this investment been used, as it is considered such procedures would not provide more meaningful information to the municipal shareholder.

2. DEFERRED DEBT

The deferred debt comprises demand loans payable to bankers for equipment purchases. The interest varies with the bank rate and at December 31, 1981 interest was charged at 20% per annum. Repayment of these loans is in accordance with the following schedule:



2. DEFERRED DEBT - continued....

	<u>1981</u> \$	<u>1980</u> \$
Being repaid at \$14,000 per month	252,000	504,000
Being repaid at \$10,000 per month	360,000	480,000
	<u>612,000</u>	<u>984,000</u>
Less instalments due in next twelve months shown as a current liability	288,000	372,000
	<u>324,000</u>	<u>612,000</u>

Total aggregate payments required to retire existing deferred debt are as follows:

1982	\$ 288,000
1983	204,000
1984	120,000
	<u>\$ 612,000</u>

3. UNFUNDED PAST SERVICE PENSION LIABILITY

As at December 31, 1981, there exists an unrecorded and unfunded past service pension liability estimated at \$8,438,000, which is being liquidated by monthly payments of \$77,054 until June 30, 1995.

4. RELATED PARTY TRANSACTIONS

The company shares facilities with its subsidiary, The Canada Coach Lines, Limited, and costs are allocated based on usage.



THE REGIONAL
MUNICIPALITY OF
HAMILTON-WENTWORTH

THE HAMILTON-STREET RAILWAY COMPANY
STATEMENT OF EARNINGS
for the year ended December 31, 1981

REVENUE	1981 \$	1980 \$
Direct revenues from operations -		
Tickets redeemed	2,652,026	2,041,505
Monthly passes	3,456,863	2,720,430
Cash fares	6,683,967	6,276,690
Charters	772,113	770,816
Station and coach privileges	140,595	74,841
	<u>13,705,564</u>	<u>11,884,282</u>
Fare equalization payments from The Regional Municipality of Hamilton-Wentworth -		
Students' tickets	1,164,404	812,725
Pensioners' tickets and passes	1,954,641	1,557,275
	<u>3,119,045</u>	<u>2,370,000</u>
Fare stabilization payments from The Regional Municipality of Hamilton-Wentworth	11,280,955	10,338,000
	<u>28,105,564</u>	<u>24,592,282</u>
EXPENSES		
Direct cost of providing services -		
Maintenance of equipment	3,662,812	3,303,121
Power, fuel and garage services	3,327,404	2,622,541
Transportation	14,548,971	12,840,490
Insurance, safety and accident	815,421	849,617
Taxes and licences	1,040,691	841,185
Administrative and general	4,337,132	3,165,399
Rentals (net)	(19,674)	(20,457)
	<u>27,712,757</u>	<u>23,601,896</u>
Depreciation -		
Vehicles	1,200,587	1,225,785
Buildings and equipment	104,234	94,386
	<u>1,304,821</u>	<u>1,320,171</u>
Deduct allocation from contributed surplus	891,241	890,056
	<u>413,580</u>	<u>430,115</u>
Finance charges (net)	72,676	157,189
	<u>28,199,013</u>	<u>24,189,200</u>
EXCESS OF EXPENSES OVER REVENUE before providing for the following	(93,449)	403,082
Deduct - transfer to reserve for improvement and replacement	--	(117,079)
- dividend payment to The Regional Municipality of Hamilton-Wentworth (for payment of debenture charges)	--	(286,003)
NET LOSS FOR THE YEAR	(93,449)	--
RETAINED EARNINGS SINCE ACQUISITION - BEGINNING OF YEAR	--	--
RETAINED EARNINGS SINCE ACQUISITION - END OF YEAR	<u>(93,449)</u>	<u>--</u>



THE HAMILTON STREET RAILWAY COMPANY
CONTRIBUTED SURPLUS TO FINANCE CAPITAL ADDITIONS
for the year ended December 31, 1981

	<u>1981</u> \$	<u>1980</u> \$
BALANCE AT BEGINNING OF YEAR	6,877,038	7,453,775
Add recovery under Province of Ontario's Transit Capital Assistance Program	139,527	313,319
Deduct allocation to offset depreciation on assets financed by above program	(891,241)	(890,056)
BALANCE AT END OF YEAR	<u>6,125,324</u>	<u>6,877,038</u>

STATEMENT OF CAPITAL RESERVE FOR
IMPROVEMENT AND REPLACEMENT
for the year ended December 31, 1981

BALANCE AT BEGINNING OF YEAR	1,148,097	1,031,018
Add transfer from earnings to provide funds to contribute to purchase price of land for new transit centre	--	117,079
BALANCE AT END OF YEAR	<u>1,148,097</u>	<u>1,148,097</u>

STATEMENT OF RETAINED EARNINGS ON ACQUISITION
for the year ended December 31, 1981

BALANCE AT BEGINNING AND END OF YEAR	<u>1,567,119</u>	<u>1,567,119</u>
--------------------------------------	------------------	------------------



AUDITOR'S REPORT
for the year ended December 31, 1981

To the Shareholders of
The Canada Coach Lines, Limited

We have examined the balance sheet of The Canada Coach Lines, Limited as at December 31, 1981 and the statements of earnings and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1981 and the results of its operations for the year then ended in accordance with the accounting principles set out in the notes to the financial statements applied on a basis consistent with that of the preceding year.

MacGillivray & Co.

Hamilton, Ontario
February 12, 1982

MACGILLIVRAY & CO.
Chartered Accountants
Municipal Licence No. 460(1982)



THE REGIONAL
MUNICIPALITY OF
HAMILTON-WENTWORTH

THE CANADA COACH LINES, LIMITED
BALANCE SHEET
for the year ended December 31, 1981

	1981 \$	1980 \$
<u>Assets</u>		
CURRENT		
Cash	37,623	30,217
Working funds advance to employees	18,200	20,850
Accounts receivable	252,509	312,552
Due from The Regional Municipality of Hamilton-Wentworth	696,020	793,856
Inventory - at average cost	36,933	3,891
Prepaid expenses	56,792	51,885
	<u>1,098,077</u>	<u>1,213,251</u>
FIXED (at cost)		
Land, buildings, and equipment	3,137,985	3,564,155
Less: accumulated depreciation	<u>2,543,328</u>	<u>2,831,026</u>
	594,657	733,129
FRANCHISES AND GOODWILL	<u>255,000</u>	<u>255,000</u>
	<u>1,947,734</u>	<u>2,201,380</u>
<u>Liabilities</u>		
CURRENT		
Bank advances	--	100,000
Accounts payable and accrued liabilities	427,311	363,353
Unredeemed ticket liability	88,679	116,688
Due to associated companies	28,340	30,094
Estimated liability and reserve for public liability claims	56,616	37,457
Deferred debt - due within one year	--	54,000
	<u>600,946</u>	<u>701,592</u>
DEFERRED DEBT - less current portion	<u>--</u>	<u>153,000</u>
<u>Shareholder's Equity</u>		
CAPITAL STOCK		
Authorized - less redeemed 3,915 4% cumulative redeemable preference shares of the par value of \$100.00 each 10,000 common shares of no par value		
Issued and fully paid - 10,000 common shares	10,000	10,000
RETAINED EARNINGS	<u>1,336,788</u>	<u>1,336,788</u>
	<u>1,346,788</u>	<u>1,346,788</u>
	<u>1,947,734</u>	<u>2,201,380</u>



THE CANADA COACH LINES, LIMITED
NOTES TO FINANCIAL STATEMENTS
for the year ended December 31, 1981

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Depreciation -

Fixed assets are recorded at historical cost. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets, with the exception of service cars, which are depreciated on a declining balance basis.

(b) Recognition of Revenue -

Ticket revenues are recognized when the tickets are honoured on the vehicle. This treatment gives rise to an estimated liability for tickets which have been sold but which have not been redeemed at the end of the fiscal year.

(c) Franchises and Goodwill -

The company has valued this asset at historical cost, and no amortization has been charged to operations.

2. RELATED PARTY TRANSACTIONS

The company shares facilities with its parent, The Hamilton Street Railway Company, and costs are allocated based on usage.

3. UNFUNDED PAST SERVICE PENSION LIABILITY

As at December 31, 1981 there exists an unrecorded and unfunded past service pension liability estimated at \$1,425,000, which is being liquidated by monthly payments of \$10,772 until June 30, 1995.

4. COMPARATIVE FIGURES

The comparative figures have been adjusted to conform with minor changes in current presentation.

5. SUBSEQUENT EVENT

Since balance sheet date the company has sold its rights to conduct certain operations and sightseeing tours originating from Niagara Falls, New York, for the sum of \$35,000.



THE CANADA COACH LINES, LIMITED
STATEMENT OF EARNINGS
for the year ended December 31, 1981

REVENUES	1981 \$	1980 \$
Passenger revenue - inter-urban	2,837,552	2,870,945
- chartered	1,188,634	1,131,880
Express	212,112	202,472
Miscellaneous	501	9,947
	<u>4,238,799</u>	<u>4,215,244</u>
EXPENDITURES		
Maintenance of equipment	667,341	739,220
Fuel and garage service	605,763	575,857
Transportation	2,038,075	2,030,536
Station and terminal	427,311	436,819
Traffic promotion and advertising	101,974	96,292
Insurance, safety and accident	119,605	124,021
Taxes and licences	184,218	174,940
Administrative and general	871,732	733,568
Rental (net)	(33,105)	(95,565)
	<u>4,982,914</u>	<u>4,815,688</u>
GROSS OPERATING LOSS	744,115	600,444
DEPRECIATION		
Vehicles	106,261	180,443
Buildings and equipment	4,474	4,040
	<u>110,735</u>	<u>184,483</u>
NET OPERATING LOSS	854,850	784,927
NET FINANCE (INCOME) EXPENSE	(20,896)	10,380
FOREIGN EXCHANGE LOSS (GAIN)	12,066	(1,449)
Grant from The Regional Municipality of Hamilton-Wentowrth	<u>846,020</u>	<u>793,858</u>
NET EARNINGS FOR THE YEAR	<u>--</u>	<u>--</u>
STATEMENT OF RETAINED EARNINGS for the year ended December 31, 1981		
RETAINED EARNINGS - Beginning of year	1,336,788	1,334,498
Gain from sale of land	--	2,290
RETAINED EARNINGS - end of the year	<u>1,336,788</u>	<u>1,336,788</u>

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